

API NUMBER: 051 25005

OKLAHOMA CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
P.O. BOX 52000
OKLAHOMA CITY, OK 73152-2000
(Rule 165:10-3-1)

Approval Date: 02/14/2023

Expiration Date: 08/14/2024

Multi Unit

Oil & Gas

PERMIT TO DRILL

WELL LOCATION: Section: 03 Township: 8N Range: 6W County: GRADY

SPOT LOCATION: ☐ NW ☐ NW ☐ NE ☐ NW FEET FROM QUARTER: FROM NORTH FROM WEST
SECTION LINES: 295 1500

Lease Name: SILVER SPUR 34_27-9N-6W Well No: 1MHX Well will be 295 feet from nearest unit or lease boundary.

Operator Name: PALOMA OPERATING CO INC Telephone: 7136548534 OTC/OCC Number: 23932 0

PALOMA OPERATING CO INC
1100 LOUISIANA ST STE 5100
HOUSTON, TX 77002-5220

LAURA JANE & LARRY MIRACLE, PHILLIP & RONNIE HANEY
PO BOX 524
TUTTLE OK 73089

Formation(s) (Permit Valid for Listed Formations Only):

Name	Code	Depth
1 MISSISSIPPIAN	359MSSP	10800

Spacing Orders: 667608
679971
731516

Location Exception Orders: 731542

Increased Density Orders: No Density

Pending CD Numbers: No Pending

Working interest owners' notified: ***

Special Orders: No Special

Total Depth: 24000

Ground Elevation: 1253

Surface Casing: 1000

Depth to base of Treatable Water-Bearing FM: 330

Deep surface casing has been approved

Under Federal Jurisdiction: No
Fresh Water Supply Well Drilled: No
Surface Water used to Drill: No

Approved Method for disposal of Drilling Fluids:

D. One time land application -- (REQUIRES PERMIT)

PERMIT NO: 23-38870

H. (Other)

SEE MEMO

PIT 1 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: WATER BASED

Chlorides Max: 5000 Average: 3000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? N

Wellhead Protection Area? N

Pit **is not** located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: NON HSA

Pit Location Formation: CHICKASHA

PIT 2 INFORMATION

Type of Pit System: CLOSED Closed System Means Steel Pits

Type of Mud System: OIL BASED

Chlorides Max: 300000 Average: 200000

Is depth to top of ground water greater than 10ft below base of pit? Y

Within 1 mile of municipal water well? N

Wellhead Protection Area? N

Pit **is not** located in a Hydrologically Sensitive Area.

Category of Pit: C

Liner not required for Category: C

Pit Location is: NON HSA

Pit Location Formation: CHICKASHA

This permit does not address the right of entry or settlement of surface damages. The duration of this permit is 18 MONTHS, except as otherwise provided by Rule 165: 10-3-1. Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

MULTI UNIT HOLE 1

Section: 27	Township: 9N	Range: 6W	Meridian: IM	Total Length: 10330
County: GRADY				Measured Total Depth: 24000
Spot Location of End Point: NE	NE	NE	NW	True Vertical Depth: 12000
Feet From: NORTH	1/4 Section Line: 65			End Point Location from
Feet From: WEST	1/4 Section Line: 2402			Lease, Unit, or Property Line: 65

NOTES:

Category	Description
DEEP SURFACE CASING	[2/9/2023 - GC2] - APPROVED; (1) NOTIFY OCC FIELD INSPECTOR IMMEDIATELY OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING. (2) SUBSEQUENT WELLS ON SAME PAD WILL NOT BE ALLOWED DEEP SURFACE CASING IN THE EVENT OF ANY LOSS OF CIRCULATION OR FAILURE TO CIRCULATE CEMENT TO SURFACE ON ANY CONDUCTOR OR SURFACE CASING.
HYDRAULIC FRACTURING	[2/9/2023 - GC2] - OCC 165:10-3-10 REQUIRES: 1) NOTICE SHALL BE GIVEN AT LEAST 5 BUSINESS DAYS PRIOR TO COMMENCEMENT OF HYDRAULIC FRACTURING OPERATIONS ON A HORIZONTAL WELL TO OPERATORS PRODUCING WELLS WITHIN 1 MILE OF THE COMPLETION INTERVAL OF THE SUBJECT WELL. THE NOTICE TO SUCH OPERATORS SHALL CONTAIN THE INFORMATION IN FORM 6000NOO. IF THE HYDRAULIC FRACTURING OPERATIONS SCHEDULE CHANGES AFTER NOTICE HAS BEEN PROVIDED, RESULTING IN A DELAY OF OPERATIONS OF MORE THAN 5 DAYS FROM THE INITIAL NOTICE, NEW NOTICE IS REQUIRED TO BE GIVEN; 2) NOTICE WILL BE GIVEN TO THE OCC CENTRAL OFFICE AND LOCAL DISTRICT OFFICES AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF FRACTURING OPERATIONS. FORM 6000NHF SHALL BE FOUND HERE: HTTPS://OKLAHOMA.GOV/OCC/DIVISIONS/OIL-GAS/OGCD-FORMS ; AND, 3) THE CHEMICAL DISCLOSURE OF HYDRAULIC FRACTURING INGREDIENTS FOR ALL WELLS IS TO BE REPORTED TO FRACFOCUS WITHIN 60 DAYS AFTER THE CONCLUSION OF HYDRAULIC FRACTURING OPERATIONS, FOUND AT FRACFOCUS.ORG
LOCATION EXCEPTION - 731542	[2/13/2023 - G56] - (I.O.) 27 & 34-9N-6W X679971 MSSP 27-9N-6W X667608 MSSP 34-9N-6W COMPL INT (34-9N-6W) NCT 165' FSL, NCT 0' FNL, NCT 330' FWL COMPL INT (27-9N-6W) NCT 0' FSL, NCT 165' FNL, NCT 330' FWL PALOMA OP CO, INC 1/20/2023
MEMO	[2/9/2023 - GC2] - CLOSED SYSTEM=STEEL PITS (REQUIRED - WEST FORK OF BITTER CREEK), OBM RETURNED TO VENDOR, CUTTINGS PERMITTED PER DISTRICT
SPACING - 667608	[2/13/2023 - G56] - (640)(HOR) 34-9N-6W EST MSSP, OTHERS COMPL INT NCT 660' FB (COEXIST WITH SP # 217821 MSSLM)
SPACING - 679971	[2/13/2023 - G56] - (640)(HOR) 27-9N-6W EST MSSP, OTHERS POE TO BHL NLT 660' FB (COEXIST WITH SP # 168898 MSSLM)
SPACING - 731516	[2/13/2023 - G56] - (I.O.) 27 & 34-9N-6W EST MULTIUNIT HORIZONTAL WELL X679971 MSSP 27-9N-6W X667608 MSSP 34-9N-6W 50% 34-9N-6W 50% 27-9N-6W PALOMA OP CO, INC 1/19/2023

This permit does not address the right of entry or settlement of surface damages. The duration of this permit is 18 MONTHS, except as otherwise provided by Rule 165: 10-3-1. Rule 165: 10-3-4 (c) (7) (e) - The Operator shall give 24 Hours notice by telephone to the appropriate District Office of the Conservation Division as to when Surface Casing will be run.

051 25005 SILVER SPUR 34_27-9N-6W 1MHX